

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

NOTICE TO INTERESTED PARTIES

The California Department of Social Services (CDSS) is required by federal law to submit Appendix H-Caseload Reduction Report (ACF-202 form) to the Administration for children and families. This report is for Federal Fiscal Year 2003, for the Temporary Assistance to Needy Families program and must be submitted by December 31, 2002. Notice is hereby given that a copy of California's Caseload Reduction report is available on the CDSS website (www.dss.cahwnet.gov) or upon request from the office below.

Comments relating to California's Caseload Reduction report may be submitted in writing or telefax to the address/number listed below. All comments must be received no later than 5:00 p.m. on December 27, 2002.

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ACF-202 TANF Caseload Reduction Report

State of California			Fiscal Year 2003
PART 1 - Implementation of All Eligibility Changes Made by the State Since FFY 1995			
	Eligibility Change	Implementation Date	Estimated Impact on Caseload Since Change
<u>Changes Required by Federal Law</u>			
1	Federal 24 Month Work Participation Requirement	August 22, 1996	The estimated impact is zero. See methodology, pg 6
2	Federal requirement that teen parents must live in adult-supervised settings to receive assistance	August 22, 1996	There is no impact on the caseload. Previously enacted state law conforms to the federal requirements.
3	Denial of Aid for 10-Years to individuals fraudulently misrepresenting residency to more than one state	August 22, 1996	The estimated impact is zero. California has no reported cases as verified by the Office of Administrative Law Judges. In addition, California counties routinely check with other states for aid status of applicants.
4	Fugitive Felons/Probation Violators/Parole Violators/Drug Felons	August 22, 1996	The estimated impact is -4 . See methodology, pg 6
5	Federally Ineligible Aliens (Pure Cases)	August 22, 1996	The estimated impact is zero. California continues to aid this population with Maintenance of Effort funds.

ACF-202 TANF Caseload Reduction Report

	Eligibility Change	Implementation Date	Estimated Impact on Caseload Since Change
<u>State-Implemented Changes</u>			
Changes Related to Income and Resources			
1	Food Stamp and CalWORKs New vehicle valuation rule	June 1, 2001	+ 1,644
2	Income Disregards and MAP COLA	January 1, 1998	+ 22,913
3	Modification of Senior Parent Deeming	October 1, 1998	+ 2,513
Changes Related to Categorical or Demographic Eligibility Factors			
1	Tribal TANF	October 1, 1997	- 162

ACF-202 TANF Caseload Reduction Report

State of California			Fiscal Year 2003
PART 1 - Implementation of All Eligibility Changes Made by the State Since FFY 1995			
	Eligibility Change	Implementation Date	Estimated Impact on Caseload Since Change (positive or negative impact)
Changes Due to Full-Family Sanctions			
	None	N/A	N/A
Other Eligibility Changes			
1	Deprivation: Elimination of Connection to the Work Force Requirement for Two-Parent Families	January 1, 1998	Impact 2-Parent cases only. Resulted in an increase to the caseload. However, California currently does not collect the data needed to determine the increase in caseload caused by this policy.
Estimated Total Net Impact on the Caseload of All Eligibility Changes			+26,909
Total Prior Year Caseload			512,889
Estimated Caseload Reduction Credit			44.2%

ACF-202 TANF Caseload Reduction Report

State of California			Fiscal Year 2003			
PART II - Application Denials and Case Closures, by Reason						
			Fiscal year 1995		Fiscal year 2002	
Reason for Application Denials			Number		Percent	
1)	No eligible Child		1,532		11.4	
2)	Not deprived of support or care		1,540		11.4	
3)	Resources exceeds limits		983		7.3	
4)	Income exceeds standards		1,926		14.3	
5)	Failure to comply with procedural requirements		7,004		52.0	
6)	Failure to comply with program requirements		145		1.1	
7)	Ineligible non-citizen		105		0.8	
8)	Excluded by law for reason other than time limits and citizenship		0		0.0	
9)	Nonresident		237		1.8	
11)	Denial due to expiration of CalWORKs 60 month time limit		0		0.0	
Total Application Denials			13,472		100.0	
State of California			Fiscal Year 2003			

ACF-202 TANF Caseload Reduction Report

PART II - Application Denials and Case Closures, by Reason					
		Fiscal year 1995		Fiscal year 2002	
Reason for Case Closures		Number	Percent	Number	Percent
1)	No eligible Child	4,980	11.6	3,300	8.4
2)	Not deprived of support or care	430	1.0	176	0.4
3)	Resources exceeds limits	680	1.6	220	0.6
4)	Income exceeds standards: (Sum of 4a through 4e)	6,673	15.6	4,728	12.0
	a. Earnings increased	3,276	7.6	1,981	5.0
	b. Benefits or pension increased	935	2.2	582	1.5
	c. Support from person inside home increased	494	1.2	1,784	4.5
	d. Support from person outside home increased	57	0.1	27	0.1
	e. Requirements reduced	1,911	4.5	355	0.9
5)	Moved and cannot locate	2,911	6.8	1,398	3.5
6)	Recipient initiated	27,166	63.3	28,255	71.6
7)	Failure to comply with program requirement	43	0.1	0	0.0
8)	Excluded by law for reasons other than time limits and citizenship	23	0.1	1,392	3.5
9)	Discontinued due to expiration of CalWORKs 60-month time limit	0	0.0	0	0.0
Total Case Closures		42,906	100.0	39,469	100.0

ACF-202 TANF Caseload Reduction Report

State of California

Fiscal Year 2003

Part III - Description of the Methodology Used to Calculate the Caseload Reduction Estimates (attach supporting data to this form)

California's caseload reduction credit for All-Families in federal fiscal year (FFY) 2003 is estimated to be 44.2 percent. This figure was derived by subtracting the prior year, FFY 2002, caseload total of 512,889 from the base year (FFY) 95 total of 919,471. The resulting difference of 406,582 was divided by the base year figure of 919,471 to obtain the 44.2 percent caseload reduction credit (See Attachment G). In addition, California is reporting the federally mandated eligibility changes and the state implemented changes that affect caseload. The estimated net impact of all the state and federally mandated changes on caseload totaled +26,909. *The FFY 2002 figures are an estimated total. Final figures will be available in mid-December 2002.* The following information explains the methodology and the effects of these adjustments on the caseload.

Changes Required by Federal Law

- 1) **Federal 24-Month Work Participation Requirement:** California sanctions only the adult rather than the full family. Therefore, only a case with an aided adult and no aided child can be terminated for a welfare to work sanction. In California, the two reasons for an adult only case are an aided caretaker with a disabled SSI child or a pregnant woman with no other eligible children. In California we exempt an aided adult caring for a disabled child and we provide exemption for temporary disability due to pregnancy. Therefore, we believe the estimated impact is zero.
- 2) **Federal requirement that Teen parents must live in an adult supervised setting to receive assistance:** There is no estimated impact on the caseload. Previously enacted state law conforms to the federal requirement.
- 3) **Denial of aid for 10 years to individuals fraudulently misrepresenting residency to more than one state:** In order to be disqualified in this category the case must be reviewed by the Office of Administrative Law Judges (A.L.J.). California has no reported cases as verified by the A.L.J. Office. In addition California counties routinely check with other states for aid status of applicants. The estimated impact is zero.
- 4) **Fugitive Felons/Probation Violators/Parole Violators/Drug Felons:** Aid is denied only to the sanctioned individual. The State of California continues to provide aid to the eligible family of the sanctioned person. Based on FFY 2001 caseload data, we determined that 0.66 percent of all CalWORKs cases have no aided child in the AU. To determine the number of cases terminated due to these sanctions, we multiplied the monthly sum of cases with a felon sanctioned adult by the 0.66 percent ratio of cases with no aided child. It is estimated that there is an average -4 caseload reduction per month due to these sanctions. (See attachment A)
- 5) **Federally Ineligible Aliens:** California continues to provide cash aid to this alien population. The estimate impact is zero.

ACF-202 TANF Caseload Reduction Report

State of California State-Implemented Changes

Fiscal Year 2003

Changes Related to Income and Resources

- 1) **Federal Food Stamp and California Work Opportunity and Responsibility To Kids (CalWORKs) program vehicle valuation rules:** This policy may result in exemption of a motor vehicle from resource limits for CalWORKs recipients. Estimated data from the California Work Opportunity and Responsibility To Kids (CalWORKs) report on Reasons for Denial and Other Non-Approvals of Applications for Cash Grant (CA255) and the CalWORKs Cash Grant Caseload Movement and Expenditures Report (CA237) was used to determine the estimated effect on the caseload as a result of the vehicle valuation rules. Because this new rule was enacted in June 2001, we took the 8 month pre-enactment average denial rate and subtracted from it the 4 month post-enactment average denial rate. This calculation reflects a +1,644 case per month increase in the caseload. (See Attachment B)
- 2) **Income Disregards and MAP COLA:** In January 1998, California implemented the CalWORKs program. A centerpiece of this program was a change in the income disregard methodology and establishment of cost of living adjustments (COLA) for the maximum aid payment (MAP). Since January of 1998 California initiated MAP COLAs of 2.84 percent (November 1998), 2.36 percent (July 1999) and 2.96 percent (October 2000). We have included a separate attachment that further explains the impact of these changes. (See Attachments C and D). Utilizing the FFY 2001 CalWORKs Characteristics Survey Database, we determined that +23,275 eligible cases would not have been eligible if the prior income disregard and MAP/MBSAC levels had been retained. This represented 4.47 percent of the surveyed caseload. We multiplied this ratio by the FFY 2002 CalWORKs caseload of 512,889 to determine stated impact of +22,913 cases. (See Attachments C & D)
- 3) **Modification of Senior Parent Deeming:** Senior Parent Deeming was modified in determining the eligibility of the teen parent's child. Based on AFDC Characteristics Survey data, the modification of deeming resulted in an increase of 0.58 percent of the non-Two Parent cases. The survey revealed no impact to the two-parent category. Thus, as a result of change in Teen's eligibility for FFY 2001, the impact on the caseload was +2,511. (See Attachment E)

Changes Related to Categorical or Demographic Eligibility Factors

- 1) Tribal TANF: The stated impact of -162 cases is based on a monthly average of the actual number of cases transferred to Tribal TANF. (See attachment F)

Other Eligibility Changes

- 1) **Deprivation: Elimination of Connection to Labor Force Requirement for Two-Parent Families.** This eligibility requirement resulted in an increase in the two parent caseload however, California currently does not collect the data needed to determine the increase in caseload caused by this policy.
- 2) **Part II Application Denials and Case Closures, by Reason:** This section reflects California's aggregate data as reported by the counties on the "Reasons for Denial" and "Reason's for Discontinuance" forms. Monthly totals were summed then divided by 12 to derive the average monthly figures.

ACF-202 TANF Caseload Reduction Report

State of California

Fiscal Year 2003

PART IV -- Certification

I certify that we have provided the public an appropriate opportunity to comment on the estimates and methodology used to complete this report and considered those comments in completing it. Further, I certify that this report incorporates all reductions in the caseload resulting from State eligibility changes and changes in Federal requirements since Fiscal Year 1995.

(signature)

LOIS VANBEERS

(name)

DEPUTY DIRECTOR

(title)

ACF 202 - FFY 2003
Attachment A
Fleeing Felons

	Drug Felons	Fleeing Felons	Parole Violators	FFY 2002 CalWORKs Felon Caseload	Ratio of caseload with No Aided Children	Estimated Caseload Terminated Due to Felon Status
Oct-01	307	481	3	791	0.66%	5.22
Nov-01	256	327	21	604	0.66%	3.99
Dec-01	253	273	9	535	0.66%	3.53
Jan-02	320	392	7	719	0.66%	4.75
Feb-02	287	439	12	738	0.66%	4.87
Mar-02	276	446	11	733	0.66%	4.84
Apr-02	283	316	8	607	0.66%	4.01
May-02	203	338	22	563	0.66%	3.72
Jun-02	210	297	8	515	0.66%	3.40
Jul-02	158	233	14	405	0.66%	2.67
Aug-02	255	354	12	621	0.66%	4.10
Sep-02	255	354	12	621	0.66%	4.10
Total	3,064	4,250	138	7,452		49
Average	255	354	12	621		-4

Total FFY 2001 Caseload	520,986
Cases with no aided Child	3,425
Ratio of cases with no aided child	0.66%

We used the respective line items from page 1 DPA 266 - Fraud Investigation Activity Report. The total for each month was summed. We then divided the cases with no aided children by the total CalWORKs caseload to get the ratio of cases with no children to total caseload. We then multiplied that ratio by the the total felon caseload for each month, summed and divided by 12 to produced the average caseload adjustment of cases terminated due to felon status.

ACF 202 - FFY 2003
Attachment B
Vehicle Valuation Rule

Vehicle Eligible Cases		100.0%	97.9%	94.0%	88.4%	82.6%	77.5%	73.1%	69.4%	65.9%	63.1%	60.6%	58.1%	55.2%	52.2%	50.3%	48.6%	Totals
		Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	
187	Jun-01	187	183	176	165	154	145	137	130	123	118	113	109	103	98	94	91	
187	Jul-01	0	187	183	176	165	154	145	137	130	123	118	113	109	103	98	94	
187	Aug-01	0	0	187	183	176	165	154	145	137	130	123	118	113	109	103	98	
187	Sep-01	0	0	0	187	183	176	165	154	145	137	130	123	118	113	109	103	
205	Oct-01					205	201	193	181	169	159	150	142	135	129	124	119	
205	Nov-01						205	201	193	181	169	159	150	142	135	129	124	
205	Dec-01							205	201	193	181	169	159	150	142	135	129	
205	Jan-02								205	201	193	181	169	159	150	142	135	
205	Feb-02									205	201	193	181	169	159	150	142	
205	Mar-02										205	201	193	181	169	159	150	
205	Apr-02											205	201	193	181	169	159	
205	May-02												205	201	193	181	169	
205	Jun-02													205	201	193	181	
205	Jul-02														205	201	193	
205	Aug-02															205	201	
205	Sep-02																205	
	Total	187	370	546	711	883	1046	1200	1346	1484	1616	1742	1863	1978	2087	2192	2293	19,730

Average monthly vehicle eligible cases

1,644

The matrix shows the effect of the increase over the 16 months after enactment. The last four months of FFY 2001 showed a 187 monthly average case increase over the 8 month average prior to the enactment of the vehicle valuation rule. When compared to the 8 month period prior to the enactment of the rule, FFY 2002 shows an average monthly caseload increase of 205 cases.

* The percent change from month to month is the attrition rate tracking new applicants.

Attachment C

Income Disregards and MAP COLA

2 Parent Ineligibles from FFY 2001 CalWORKs Survey Data	5,165
Single Parent Ineligibles from FFY 2001 CalWORKs Survey Data	18,110
Total Families	23,275
Total Surveyed Caseload from FFY 2001 CalWORKs Data	520,986
Ratio of Ineligible Survey Cases from FFY 2001 CalWORKs Data	4.47%

FFY 2002 CalWORKs Caseload	512,889
Ineligible Ratio From FFY 2001 CalWORKs Characteristics Data	4.4675%
Estimated FFY 2002 Ineligibles	22,913

[illegible]

Attachment D
Comparison of Income Disregard System

AFDC Disregard System	
Gross Earnings	1221
\$90 Work Disregard	-90
	1131
\$30 Disregard	-30
	1101
1/3 Disregard	-367
Net Non-Exempt Earnings	734

CalWORKs Disregard System	
Gross Earnings	1515
\$225 Disregard	-225
	1290
50 Percent Disregard	-645
Net Non-Exempt Earnings	645

Family of Three	
MBSAC	734
Net Non-Exempt Earnings	734
AFDC Grant	0

Family of Three	
MAP	645
Net Non-Exempt Earnings	645
CalWORKs Grant	0

Definitions	
MBSAC = Minimum Standard of Adequate Care	
MAP = Maximum Aid Payment	
AFDC = Aid for Families with Dependent Children program	
CalWORKs = California Work Opportunity and Responsibility to Kids program	

MAP & MBSAC Levels	
August 22, 1996 levels for a family of three:	
MAP = \$565	
MBSAC = \$734	
October 2000 levels for a family of three:	
MAP = 645	

Conclusion:

In California prior to the implementation of the new income disregard and MAP COLAs, a family of three would be ineligible for a cash grant at the earnings level of \$1,221. With the CalWORKs income disregards and MAP COLAs, a family of three becomes ineligible for a cash grant at the earnings level of \$1,515. To measure this impact on the CalWORKs caseload, we applied the AFDC income disregards and MAP/MBSAC levels to the surveyed cases in the FFY 2001 CalWORKs Characteristics Survey. Based on the results we estimate the impact of the CalWORKs disregards and MAP COLAs to be +23,275 cases.

ACF 202 - FFY 2003
Attachment E
Senior Parent Deeming

	A	B	C
	All Families less Two- Parent	Modification of Senior Parent Deeming Ratio	Modification of Senior Parent Caseload (AxB)
Oct-00	447,334	0.58%	2,595
Nov-00	451,220	0.58%	2,617
Dec-00	442,647	0.58%	2,567
Jan-01	440,793	0.58%	2,557
Feb-01	439,691	0.58%	2,550
Mar-01	436,330	0.58%	2,531
Apr-01	432,378	0.58%	2,508
May-01	426,411	0.58%	2,473
Jun-01	420,794	0.58%	2,441
Jul-01	411,384	0.58%	2,386
Aug-01	412,430	0.58%	2,392
Sep-01	438,190	0.58%	2,542
Total	5,199,602		30,158
Average	433,300		2,513

	Decline Caused by Senior Parent Deeming In Non-2-Parent Caseload after January 1st, 1985	
1		0.47%
2	Increase in Birthrate Ratio	23%
3	Net Increase due to Birthrate	0.11%
4	Total Impact of Senior Parent Deeming	0.58%

**ACF 202 - FFY 2003
Attachment F
Tribal TANF**

	Caseload	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Total
Southern California Tribal Chairmen's Association	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-106	-1,272
Torres Martinez Tribal TANF (Riverside , San Bernardino County)	-13	-13	-13	-13	-13	-13	-13	-13	-13	-13	-13	-13	-13	-156
Owens Valley Career Development Center (Inyo County)	-43	-43	-43	-43	-43	-43	-43	-43	-43	-43	-43	-43	-43	-516

Total -1,944

Monthly avg. -162

ACF 202 - FFY 2003
Attachment G
Caseload Reduction Credit

	2 Parent	Zero Parent	All Others	TANF Timed out Cases	CalWORKs Subtotal	s EA Foster Care	EA GA CWS	Kin Gap	Total	FFY 1995 Caseload	Caseload Decline	Caseload Reduction Credit
Oct-01	50,105	155,643	291,691	0	497,439	4,146	25	9,290	510,900			
Nov-01	50,799	158,110	293,110	0	502,019	3,120	10	9,562	514,711			
Dec-01	51,468	157,682	284,965	10,183	504,298	3,258	50	9,575	517,181			
Jan-02	51,311	160,844	279,949	11,634	503,738	3,147	34	9,455	516,374			
Feb-02	51,905	161,841	277,850	13,536	505,132	3,172	43	9,665	518,012			
Mar-02	51,922	168,181	268,149	17,984	506,236	3,557	50	9,828	519,671			
Apr-02	52,053	165,832	266,546	19,405	503,836	3,661	48	10,213	517,758			
May-02	50,856	164,473	261,938	21,999	499,266	3,944	48	10,881	514,139			
Jun-02	50,258	163,006	257,788	25,731	496,783	3,618	43	11,993	512,437			
Jul-02	48,785	157,083	254,301	28,213	488,382	4,089	43	11,547	504,061			
Aug-02	49,012	158,149	254,281	29,486	490,928	3,963	37	12,068	506,996			
Sep-02	48,256	157,467	250,437	30,286	486,446	3,500	51	12,428	502,425			
Total	606,730	1,928,311	3,241,005	208,457	5,984,503	43,175	482	126,505	6,154,665			
12 Month Average	50,561	160,693	270,084	17,371	498,709	3,598	40	10,542	512,889	919,471	406,582	44.2%

Data for foster care comes from CA 800 EA

Data for Kin GAP comes from Kin Gap expenditure report

The 2 parent, zero parent, all others and TANF timed out cases came from the ca 237 report line 8a.

The EA GA CWS data comes from DFA 881- EA general assistance CWS report